

Message Text

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17

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 NEA-09 ISO-00 AEC-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01

SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 FEA-01

PA-01 PRS-01 USIA-06 /107 W

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R 290817Z JAN 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 9985

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY CAIRO

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MOSCOW

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

USINT BAGHDAD UNN

LIMITED OFFICIAL USE TEHRAN 0869

E.O. 11652: NA

TAGS: ENRG, IR

SUBJ: US-BELGIAN-IRANIAN LNG PROJECT

REF: A. TEHRAN 10960 B. ANKARA 0729

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1. G.D. CARAMEROS, JR., EXECUTIVE VICE PRESIDENT, EL PASO NATURAL GAS COMPANY, CALLED AT EMBASSY JANUARY 28 TO BRIEF EMOFFS ON STATUS OF SUBJECT LNG PROPOSAL REPORTED IN TEHRAN'S 10960, WHICH WHICH WE ARE REPEATING TO ANKARA AND CAIRO TODAY. MOST OF WHAT MR. CARAMEROS HAD TO SAY HAD BEEN REPORTED IN REFTEL A, BUT HE DID OFFER SOME ADDITIONAL INFORMATION, PARTICULARLY ON THE PIPE-LINE THROUGH TURKEY ASPECT OF THE PROPOSAL. MR. CARAMEROS SAID THAT THE ECONOMICS OF THE PROPOSAL SIMPLY RULE OUT MOVING TWO-THREE BILLION STANDARD CUBIC FEET PER DAY OF LNG IN A TANKER EITHER AROUND AFRICA OR EAST ACROSS THE PACIFIC. THE ONLY TWO POSSIBILITIES ARE VIA THE SUEZ CANAL OR VIA PIPELINE TO LIQUEFACTION PLANT AT ISKENDERUN. IT WAS CLEAR FROM MR. CARAMEROS PRESENTATION THAT THE US AND BELGIAN PARTNERS PREFER THE SUEZ CANAL ROUTE BUT WOULD CONSIDER ONCE AGAIN THE PIPELINE TO TURKEY IF THEY WERE UNABLE TO OBTAIN A FIRM LONG-TERM COMMITMENT FROM EGYPT ON CANAL TOLLS.

2. IRAN'S NATIONAL IRANIAN GAS COMPANY HAS TAKEN THE POSITION THAT THE ROUTE THROUGH TURKEY AND SUBSEQUENT LIQUEFACTION AT ISKENDERAUN IS A DEAD ISSUE. NONETHELESS, CARAMEROS FEELS THAT THE GOI WOULD RETURN TO A RECONSIDERATION OF THE PIPELINE TO TURKEY IF IT BECAME APPARENT THAT CANAL TOLLS BECAME A STICKING POINT. CARAMEROS SAID THAT THE PROSPECT OF 600 LNG-CARRIER PASSAGES THROUGH THE SUEZ CANAL ANNUALLY OUGHT TO PROVE ATTRACTIVE TO THE EGYPTIANS. EL PASO NATURAL GAS REPS AND OFFICIALS OF NIGC LEFT FOR CAIRO JANUARY 29 TO BEGIN NEGOTIATIONS WITH THE EGYPTIAN GOVERNMENT ON MATTER OF CANAL TOLLS.

3. EMBASSY WILL ADVISE NIGC AT APPROPRIATE LEVEL OF TURKISH GOVERNMENT'S INTEREST IN PIPELINE AND LIQUEFACTION FACILITY IN TURKEY. AS MATTERS NOW STAND, HOWEVER, ONLY A FAILURE TO COME TO TERMS WITH CAIRO ON TOLL ISSUE WOULD LEAD GOI AND BELGIAN/US PARTNERS TO REOPEN MATTER OF ROUTE THROUGH TURKEY.

4. WE WOULD APPRECIATE RECEIVING ANY INFORMATION EMBASSY CAIRO MIGHT PICK UP ON RESULT OF TALKS THERE.
MIKLOS

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Message Attributes

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